telecom operators to take various steps which *inter alia* include holding of regular review meetings, streamlining of the procedure for provisioning of PoIs in time bound manner, to provide forecast for demand of PoIs in advance to enable BSNL to plan necessary equipment where feasible so as to reduce the cases of technical non-feasible.

**Withdrawal of service tax**

295. SHRIMATI HEMA MALINI: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government are considering to withdraw service tax imposed on postal services since this will lessen the burden of crores of families who survive on remittances sent by working children through money order;

(b) if so, by when Government are expected to act positively for the benefit of crores of families; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEELAHMAD): (a) Circular No. 83/1/2006 dated 4th July, 2006 has been issued by Ministry of Finance clarifying that services such as money orders, Postal orders and Operation of Savings Bank Accounts provided by Department of Posts are not leviable to Service Tax under Banking and other Financial Services defined under Section 65(105) (cm) read with section 65(12) of Finance Act, 1994.

(b) and (c) Do not arise in view of (a) above.

**Effect of service tax on money order and speed post**

296.SHRI JANARDHANA POOJARY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that service tax on certain postal services has been introduced;

(b) if so, the details in this regard;

(c) whether on account of service tax, many of the commonly used postal services, like money order, have become costly;

(d) whether the service tax has rendered speed post costlier than the courier service provided by the private agencies; and

(e) if so, the details with steps taken to enhance the efficiency and strengthen the customer base of 'speed post'?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD): (a) Yes, Sir.

(b) Service tax has not been imposed on all Postal services. It was initially introduced on following postal services:

(i) Speed post and express parcel post.

(ii) Banking and financial services run by Department of Posts.

(iii) Postal Life Insurance and Rural Postal Life Insurance.

(iv) Retail Post services rendered to Non-Government Organisations/ individuals.

Subsequently it has been decided by Ministry of Finance to withdraw service tax from Banking and financial services run by Department of Posts (such as money orders, operation of Savings accounts, issue of postal orders etc.) *vide* their Circular No. 83/1/2006-ST dated 4th July, 2006.

(c) *Vide* Ministry of Finance, Department of Revenue (TRU) Circular No. 83/1/2006-ST dated 4th July, 2006 (F.No. 354/59/2006-TRU) has clarified that Service Tax need not be recovered on Money Order. So service tax will now have no impact on cost of money orders.

(d) Speed post services of Department of Posts were not being taxed upto 17-04-2006 but with effect from 18-04-2006, Service tax and educational cess have been imposed on speed post. Imposition of Service tax on Speed post has made it a costlier service to the customer. However the rates charged by the courier services vary widely, *i.e.* from rates lower than speed post to rates higher than speed post.

(e) Improvement on operational efficiency is an ongoing exercise. The operations are monitored closely and effective steps are taken to take remedial measures whenever a problem is notified. Similarly, Marketing efforts are undertaken through customer meets 'personal contacts by Marketing executives etc.

**US Consulate in Hyderabad**

297.SHRIMATI N.P. DURGA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that there is a sharp increase in submission in visa application in the country;

(b) if so, details of visa applications submitted for obtaining visa for USA in Hyderabad circle during the last five years, year-wise;

(c) whether it is also a fact that the US Administration has decided to open a Consulate in Hyderabad,

(d) if so, the details thereof;

(e) whether any time-frame has been fixed therefor;

(f) if so, the details thereof; and

(g) what measures the US is taking to give more priority to student visas?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI ANAND SHARMA): (a), (b) and (g) Do not fall under the purview of the Government of India.

(c) to (f) The US Government sought approval to establish a Consulate in Hyderabad in January, 2006 that would provide full range of normal consular services.

Hyderabad generates a very large number of business, educational and family visa applications for the US owing to a large NRI community in the US belonging to Andhra Pradesh. Currently, all visa applications have to be submitted at the US Consulate General in Chennai, causing considerable logistical difficulties for visa applicants.